

RECORDING DATA

Arlene W. Damele

Carolyn M. Olsen

Signed for Identification:

Attached hereto and by this reference made a part hereof that certain Oil and Gas Lease dated November 30, 1989 by and between R. D. Damele and Arlene W. Damele, husband and wife, Lessor, and The Gary-Williams Company, Lessee.

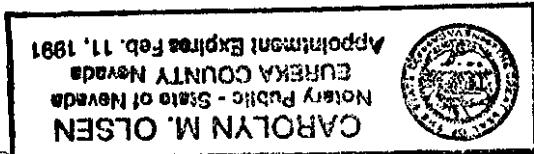
Notwithstanding anything contained herein to the contrary the royalty received by the Lessor shall not be reduced by any costs or expenses and shall be calculated at the total rate of oil, gas and/or gas-condensate produced and saved from any well on said lands.

Lessee agrees to hold Lessor harmless to any claims, actions or liability that might arise out of the actions of Lessee or it's assigns on the described lands. It is hereby understood and agreed that the terms of this lease does not give the Lessee or its assigns any right to commit any of the Lessor's royalty interest to a Federal Unit.

Lessor hereby agrees that this lease may be extended for an additional five (5) years from the end of the initial five year primary term for the same bonus consideration initially paid. If the option to renew this lease is exercised, the bonus consideration will be placed into the depository bank herein named at or before the end of the first five year term. The rental clause will then apply to the remaining term of the second five years at the rate stated herein.

Lessee agrees that at the expiration of this lease that a Release of this lease will be placed of record in Eureka County, Nevada at the sole expense of Lessee.

EXHIBIT "A"



My commission expires: *February 11, 1991*

Carolyn M. Olsen
Notary Public
Residing at *Gardner, Nevada*

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~they~~ *they* executed the same.

On this *4th* day of *December*, 19 *89*, before me personally appeared R. D. Damele and Arlene W. Damele, husband and wife

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Nevada }
COUNTY OF Eureka } ss.

RATIFICATION AND RENTAL STIPULATION

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, the undersigned (whether one or more) owns an interest in the following described lands (herein called "said lands") in the County of Eureka, State of Nevada, subject to the following described oil and gas lease (herein called "said lease"), to-wit:

Lessor: R. D. Damele and Arlene W. Damele, husband and wife
P. O. Box 342, Eureka, Nevada 89316

Lessee: The Gary-Williams Company
Republic Plaza, 370 17th Street, Suite 5300, Denver, Colorado 80202
Dated: November 30, 1989

Recorded:
Lands: Township 27 North, Range 51 East, MDM
Section 30: S½NE¼, N½SE¼, E½SW¼, Lot 4
Section 31: Lot 1

and
WHEREAS, the undersigned desires to ratify said lease and to stipulate as to the amount of any delay rentals which may become payable under the terms of said lease with respect to the interest of the undersigned in said lands;
NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by the undersigned, the undersigned hereby agree as follows:
1. If any delay rentals hereafter become payable under the terms of said lease, with respect to the interest in said lands now held by the undersigned, the amount of such delay rentals payable to the undersigned shall be as follows:

CREDIT TO	AMOUNT	DEPOSITORY BANK (City and State)
R. D. Damele and Arlene W. Damele, husband and wife P. O. Box 342 Eureka, Nevada 89316	\$17.53	First Interstate Bank P. O. Box 325 Eureka, Nevada 89316 Account # [REDACTED]

and payment or tender of such amount in the manner specified in said lease will constitute full and proper compliance with the delay rental provisions of said lease so as to maintain said lease in full force and effect with respect to the entire interest now held by the undersigned in said lands, whatever such interest may be, during the entire period of time covered by such delay rental payment.
2. The undersigned hereby ratifies and confirms said lease as being in full force and effect in accordance with its terms and hereby acknowledges the timely payment and receipt in full of all payments of delay rentals heretofore payable under the provisions of said lease on account of the interest of the undersigned in said lands.
3. The undersigned further grants, leases and lets said lands to the Lessee named in said lease, or his successors and assigns, in accordance with the terms and provisions of said lease to the full extent of the undersigned's right, title and interest in said lands.
4. With respect to and for the purposes of this instrument and said lease, the undersigned hereby releases all rights of dower and/or homestead in said lands.
5. This instrument shall be binding upon the undersigned and his heirs, personal representatives, successors and assigns.

EXECUTED this 4th day of December, 1989
R. D. Damele
Arlene W. Damele
R. D. Damele
Arlene W. Damele
BOOK 208 PAGE 090

131424

EUREKA COUNTY, NEVADA
M.N. REBALANCE RECORDS
FILE NO. 802

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 208 PAGE 088
JAN - WILLIAMS COMPANY
90 FEB - 5 P3:23

RECORDING DATA

State of _____
County of _____
On this _____ day of _____, 19____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of _____, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this _____ day of _____, A. D. 19____.

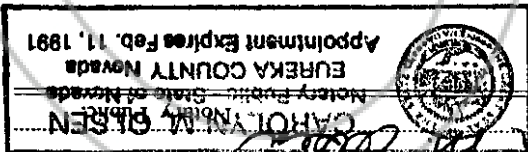
(SEAL) _____
Notary Public. _____
My Commission expires _____.

STATE OF _____
COUNTY OF _____
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____, personally appeared _____, to me known to be the identical person _____, described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires _____.

ACKNOWLEDGMENT - INDIVIDUAL



STATE OF Nevada
COUNTY OF Eureka
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____, personally appeared _____, R. D. Damele and Arlene W. Damele, husband and wife, to me known to be the identical person _____, described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ that _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires 11 February 1991.